

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF MT. OLIVET)	CASE NO. 9918-00
NATURAL GAS COMPANY, INC.)	

O R D E R

On August 10, 1987, the Commission issued its Order in Case No. 9918 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On December 11, 1989, Mt. Olivet Natural Gas Company, Inc. ("Mt. Olivet") notified the Commission that its fixed monthly demand surcharge was increased by its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective December 1, 1989, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

(1) Mt. Olivet's notice of December 11, 1989 set out certain revisions in rates which Mt. Olivet proposed to place into effect, said rates being designed to pass on the wholesale increase in the fixed monthly demand surcharge from its supplier from \$253 to \$255 per month.

(2) In calculating its proposed rates, Mt. Olivet understated the amount of gas cost formerly approved in Case No. 9918-NN¹ by excluding the \$253 per month fixed monthly demand surcharge. Correcting for this omission reflects an increase of \$24 or .06 cents per Mcf.

(3) Transmission applied with the Federal Energy Regulatory Commission for increased surcharges to become effective December 1, 1989. Mt. Olivet requested a waiver of the 30-day filing requirement. Pursuant to KRS 278.180, upon Mt. Olivet's showing of good cause, Mt. Olivet's effective date for the increase should be 20 days from the filing date or December 31, 1989. Transmission's rates are subject to refund; therefore, Mt. Olivet's rates should be subject to refund.

(4) Mt. Olivet's corrected adjustments in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9918 dated August 10, 1987 are fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after December 31, 1989, subject to refund.

(5) Mt. Olivet has based its rate adjustment on gas purchases for calendar year 1987. Mt. Olivet should use purchases data for the most recently available 12-month period in calculating its next and future purchased gas adjustments.

¹ Case No. 9918-NN, The Notice of Purchased Gas Adjustment Filing of Mt. Olivet Natural Gas Company, Inc., Order dated December 15, 1989.

IT IS THEREFORE ORDERED that:

(1) The rates proposed by Mt. Olivet in its notice of adjustment are denied.

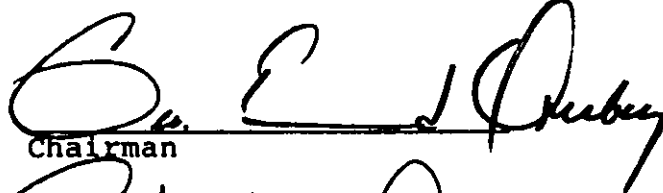
(2) The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after December 31, 1989, subject to refund.

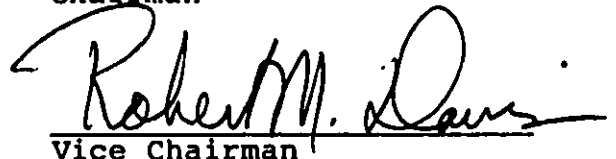
(3) Mt. Olivet shall use current data in calculating all future purchased gas adjustments.

(4) Within 30 days of the date of this Order, Mt. Olivet shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 18th day of December, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 9918-OO DATED 12/18/89

The following rates are prescribed for the customers served by Mt. Olivet Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Rates: Monthly

First	1,000 cu. ft. or less	\$6.77	(Minimum Bill)
Next	4,000 cu. ft. per 1,000 cu. ft.	5.0413	
Next	5,000 cu. ft. per 1,000 cu. ft.	4.8413	
Next	10,000 cu. ft. per 1,000 cu. ft.	4.6913	
Over	20,000 cu. ft. per 1,000 cu. ft.	4.4913	

The base rate for the future application of the purchased gas adjustment clause of Mt. Olivet Natural Gas Company, Inc. shall be:

Demand Commodity

Columbia Gas Transmission Corporation - \$3.5755 per Dth